

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Department of Insurance and Financial Services

Enforcement Case No. 21-16570

Agency No. 21-013-L

Petitioner,

v

Ethan Michael Burggraf

System ID No. 0969215

Respondent.

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ISSUED AND ENTERED

**on February 1, 2022
by Randall S. Gregg
Senior Deputy Director**

FINAL DECISION

I. Background

Ethan Michael Burggraf (Respondent) is a licensed nonresident insurance producer. The Department of Insurance and Financial Services (DIFS) received information that Respondent failed to respond to a letter of inquiry from DIFS regarding a December 10, 2020, consumer complaint filed against Respondent. After an investigation and verification of the information, on March 17, 2021, DIFS issued a Notice of Opportunity to Show Compliance (NOSC) alleging that Respondent had provided justification for revocation of licensure and other sanctions pursuant to Sections 1239(2) and 1244(1)(a-d) of the Michigan Insurance Code (Code), MCL 500.1239(2) and 500.1244(1)(a-d). Respondent failed to reply to the NOSC.

On September 7, 2021, DIFS issued an Administrative Complaint, Order for Hearing, and Notice of Hearing which was served upon Respondent at the address he is required to maintain with DIFS. The Order for Hearing required Respondent to take one of the following actions within 21 days: (1) agree to a resolution of the case, (2) file a response to the allegations with a statement that Respondent planned to attend the hearing, or (3) request an adjournment. Respondent failed to take the required action.

On October 19, 2021, DIFS staff filed a Motion for Interim Order. Respondent did not file a reply to the motion. Given Respondent's failure to respond, Petitioner's motion was granted, and the Director issued an Order, which suspended Respondent's insurance producer license, ordered Respondent to respond to DIFS' original December 17, 2020, inquiry, and pay a \$1,000.00 fine. Respondent failed to respond or

otherwise comply with the Director's Order.

On January 3, 2022, DIFS staff filed a Motion for Final Decision Following Order. Respondent did not file a reply to the motion. To date, Respondent has failed to pay the \$1,000.00 fine and respond to DIFS' original inquiry. Given Respondent's failure to respond, Petitioner's motion is granted. The Administrative Complaint, being unchallenged, is accepted as true. Based upon the Administrative Complaint, the Director makes the following Findings of Fact and Conclusions of Law.

II. Findings of Fact and Conclusions of Law

1. Respondent is a licensed nonresident producer with qualifications in accident and health, and life, and his license is currently active.
1. On or about December 10, 2020, DIFS staff received a consumer complaint from WJ stating that Respondent failed to properly submit the Medicare supplemental insurance applications that he had completed to the insurer. As a result, the policies he requested were not issued.
2. On December 17, 2020, DIFS staff sent an inquiry to Respondent's email address on file with DIFS requesting a response to the consumer complaint. No response was received.
3. On February 1, 2021, an NOSC was emailed to Respondent at the email address on file with DIFS. No response was received.
4. On March 17, 2021, a second NOSC was mailed to Respondent at the mailing address on file with DIFS. No written response was received, nor was the mail returned by the United States Postal Service as undeliverable.
5. On March 30, 2021, Respondent contacted DIFS staff by telephone regarding the March 17, 2021, NOSC. Respondent stated he would be mailing his response to DIFS. To date, no written response has been received.
6. As a licensee, Respondent knew or had reason to know that Section 249(a) of the Code, MCL 500.249(a), grants power to DIFS to examine licensees and review records for the purposes of ascertaining compliance with the provisions of the insurance laws of the state.
7. As a licensee, Respondent knew or had reason to know that Section 1207(2) of the Code, MCL 500.1207(2), requires that licensees make their records open and available to the Director.
8. As a licensee, Respondent knew or had reason to know that Section 1239(2)(e) of the Code, MCL 500.1239(2)(e), provides that he may be sanctioned for violating any insurance laws or statutory regulations. As set forth above, Respondent has violated Section 1207(2) of the Code, MCL 500.1207(2) and, thus, has provided justification for sanctions, pursuant to Section 1239(2)(e) of the Code, MCL 500.1239(2)(e).
9. As a licensee, Respondent knew or had reason to know that Section 1244(1)(a-c) of the Code, MCL 500.1244(1)(a-c), provides that the Director may order the payment of a civil fine of up to \$1,000.00 for each violation and up to \$5,000.00 for each violation if the Director finds that the person knew or

reasonably should have known that he or she was in violation of the Code. The Director may also require the person to refund any overcharges and pay restitution to cover losses, damages, or other harm they caused by violating the Code. Pursuant to Section 1244(1)(d) of the Code, MCL 500.1244(1)(d), the Director may order suspension or revocation of licensure.

10. Respondent has provided justification for sanctions, pursuant to Sections 1239(2)(e) and 1244(1) of the Code, by failing to respond to letters of inquiry from DIFS staff as required pursuant to Section 249(a), MCL 500.249(a).
11. On September 7, 2021, DIFS issued an Administrative Complaint, Order for Hearing, and Notice of Hearing which were served upon Respondent at the address he is required to maintain with DIFS.
12. In paragraph 3 of the Order for Hearing, the Respondent was ordered to do one of the following within 21 days of the date of the Order: 1) agree to a resolution with the opposing party, 2) file a response to the allegations in the Administrative Complaint and file a statement that Respondent plans to attend the hearing as scheduled, or 3) file a request for an adjournment. Paragraph 5 states that failure to make the required filing shall constitute the default of Respondent in this contested case. Respondent failed to take the required action.
13. Having made reasonable efforts to serve Respondent and having complied with MCL 500.1238(2), Petitioner now seeks sanctions up to and including REVOCATION of licensure.
14. Respondent is in default and the Petitioner is entitled to have all allegations accepted as true.
15. On October 19, 2021, DIFS staff filed a Motion for Interim Order. Respondent did not file a reply to the motion.
16. On November 16, 2021, Petitioner's motion was granted, and the Director issued an Order, which suspended Respondent's insurance producer license, ordered Respondent to respond to DIFS' original inquiry, and pay a \$1,000.00 fine. To date, Respondent has failed to pay the \$1,000.00 fine or respond to DIFS' original inquiry.
17. DIFS staff has made reasonable efforts to serve Respondent and have complied with MCL 500.1238(2).
18. Respondent has received notice and has been given an opportunity to respond and appear and has not responded nor appeared.

III. Order

Based upon the Respondent's conduct and the applicable law cited above, it is ordered that:

1. Respondent is in Default in this matter and all allegations contained in the Administrative Complaint are accepted as true in all respects.
2. Respondent shall **CEASE** and **DESIST** from violating the Code.

3. Respondent's license (System ID No. 0969215) is **REVOKED**.
5. The Director retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as shall be deemed just, necessary, and appropriate in accordance with the Code.

Anita G. Fox, Director
For the Director:

A handwritten signature in black ink, appearing to read 'R. S. Gregg', is written over a horizontal line.

Randall S. Gregg
Senior Deputy Director